



## **Immediate Report - Approval to renew officers' liability insurance policy**

June 16, 2019

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#### **Approval to Renew Officers' Liability Insurance Policy**

**Tel Aviv, Israel – June 16, 2019** – Bezeq The Israel Telecommunication Corp., Ltd. (TASE: BEZQ), announced today that on June 13, 2019 the Company's Compensation Committee approved, in accordance with the provisions of section 1B1 of the Companies Regulations (Concessions in Transactions with Interested Parties), 2000 and in accordance with the provisions of the compensation policy for the Company's officers ("Compensation Policy"), renewal of the liability insurance policy for officers (including directors) of the Company and its subsidiaries ("the Policy") for a period of an additional year, commencing June 15, 2019 (at the end of the current insurance policy) until June 14, 2020 (inclusive), whose main points are as follows:

1. Limit of liability - USD 160 million per claim and total for an insurance year in addition to reasonable legal costs beyond the liability limits, in accordance with the criteria applicable to reasonable court costs in Israel and in accordance with the guidelines of the Commissioner of Insurance in the spirit of the insurance contract law.
2. The total annual premium is USD 928,000.
3. Deductible - there is no deductible for an officer. For the Company, an amount that shall not exceed USD 150,000 per case. For securities claims in Israel - in an amount that will not exceed USD 150,000 per case.

#### **Below are the reasons of the Compensation Committee:**

1. Contracting in a liability insurance policy for officers (including directors) is usual in public companies in Israel in general, and in the Company in particular. The contract is in the interest of the Company since it allows officers to carry out their positions properly taking into account the risks involved and responsibility based on the applicable law, and in light of the Company's obligation to provide indemnification to officers, through the insurance cover of this policy the Company's liability is reduced.
2. The proposed liability limit is reasonable in the circumstances and suitable for the Company taking into account the type and scope of operations of the Company and its officers, and it is compatible with the liability limits of companies such as Bezeq. Similarly, in the opinion of the Compensation Committee, among other factors, based upon the information presented to it by the Company's management and professional advisors, the amount of the premium is reasonable in the circumstances, the insurance history of the Company (especially the investigations by the Securities Authority and the Israel Police and the legal proceedings initiated as a result), and the terms of the insurance market.
3. The Company's contracting in the insurance policies is in accordance with the Company's Compensation Policy that was legally approved by the general meeting of the Company's shareholders.
4. The contract is at market terms and is not expected to materially impact the Company's profitability, assets or liabilities.
5. The insurance will be provided for all officers (including directors) at identical terms.
6. Drawing up a joint insurance policy for the Company and its subsidiaries leads to savings in costs.

In accordance with the provisions of the Company's Compensation Policy, the policy will be renewable annually, over a three year period, whether by extension of validity of the policy described above or by entering into a new officers' and directors' liability insurance policy, on condition that the

Compensation Committee will confirm that there is no material change in the terms of the Policy or that it does not improve the terms of the policy as defined in the Compensation Policy.

***The above information constitutes a translation of the Immediate Report published by the Company. The Hebrew version was submitted by the Company to the relevant authorities pursuant to Israeli law, and represents the binding version and the only one having legal effect. This translation was prepared for convenience purposes only.***